



SCOTT McCALLUM

Governor State of Wisconsin

November 28, 2001

The Honorable Tommy G. Thompson
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Thompson:

In the coming months the Temporary Assistance for Needy Families (TANF) block grant program will be reauthorized by Congress. I am writing to urge that your agency actively take the lead in pursuing a reauthorization package that continues to provide the flexibility and funding currently provided to states.

As you know, Wisconsin has used the flexibility and funding under TANF to move many families into unsubsidized employment. We have greatly expanded our program beyond cash assistance to reach out to the low income working poor families and provide services that will help them retain employment and increase family income. However, like many states in this time of economic insecurity, Wisconsin is seeing more families with needs that must be addressed through the TANF program. It is vital that reauthorization provides the necessary funding for states to continue to support families in their efforts to become independent of public assistance.

Wisconsin supports the position of the American Public Human Services Association (APHSA) regarding TANF reauthorization, which is reflected in its publication Crossroads: New Directions in Social Policy, with the following additions and modifications:

- Maintain the core elements of the program including no entitlement, time limits, and the focus on work.
- Make TANF a true block grant program. The Cash Management Act requirements had a chilling effect on states' ability to draw down and manage the TANF Block Grant.
- The Maintenance of Effort (MOE) requirements should not be increased for inflation. In addition, more flexibility should be provided in the use of MOE funds.
- Expand the undue hardship limit of 20 percent formula by linking it to the date that states implemented TANF. For example, Wisconsin came under the TANF program effective September 30, 1996 when the caseload was much higher. Computing the 20 percent based on the caseload as of that date would allow more "room" under the threshold.

- Maintain the caseload reduction credit.
- The all families and two-parent families work participation rates should be consistent.
- Diversion should remain an option for states. In Wisconsin, while an individual may be diverted from a cash benefit placement, thus allowing the saving of months of lifetime eligibility, he or she remains eligible for and may receive case management services to assist in obtaining and retaining employment.
- The definition of assistance should be expanded to allow the use of ongoing housing subsidies for working families to be exempt from the definition of assistance, similar to what occurs for child care and transportation.
- Data collection and the technology to support data collection are expensive. Block grant levels should reflect the fact that states have had to increase their spending in this area to meet the TANF reporting requirements.
- ACF should be directed to develop a streamlined and simplified data reporting system. In addition, imposing additional data reporting requirements through regulation, such as the TANF Annual Report, should not be allowed.
- Penalty language in 42 USC 609 should be modified. States are currently subject to “double jeopardy” as states can be subject to significant penalties first by imposition of federal penalties and second, by the requirement that state dollars used to replace the lost federal dollars do not count toward meeting the MOE requirements.

I look forward to working with you as we reauthorize the TANF program.

Sincerely,



Scott McCallum
Governor

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